

# Assembly Committee on Medicaid Reform

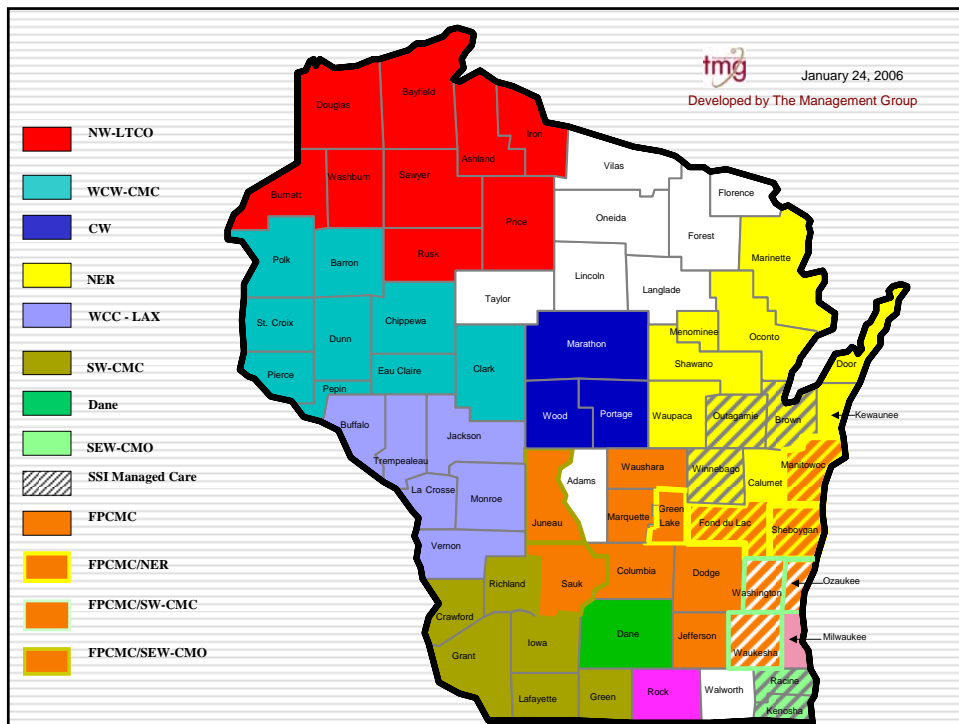
---

February 8, 2006

## Today's Agenda

- ☐ The response to the Long-Term Care RFI/RPF
- ☐ Our analysis of the expected cost of Family Care statewide
- ☐ Legislation that would assist in expanding Family Care quickly





## Planning Grants

- ☐ Goal: Help all interested areas to progress toward implementation
- ☐ \$1.4 million federal grant funds
- ☐ Some grants already made
- ☐ Working with other applicants to refine proposals



## Family Care is Cost-effective

### ☐ Independent Assessment found:

- Average savings \$452 per month
- Reduced use of institutions
- Maintained health and functioning



## Family Care Statewide Cost

### ☐ Mature Family Care Program

- Complete enrollment of entitled groups
- Assumes same level of cost efficiencies as achieved by current CMOs

### ☐ For cost projections purposes, assumes Family Care benefit package

- Dept. also supports expansion projects with fully integrated benefit package



## Cost Model Elements

- ☐ Number of persons who will enroll  
x
- ☐ Cost to MA per person  
=
- ☐ Total costs  
Compared to
- ☐ Available revenue  
=
- ☐ Net cost/savings



## Projected Costs: No. of enrollees

- ☐ Total: 43,600 enrollees in expansion areas
  1. Current Waiver Participants: 20,000
  2. Community MA recipients with LTC needs, including waitlist individuals: 20,000
  3. Relocations from nursing homes: 1,100
  4. New to MA because of FC: 2,500



## Projected Costs: Cost per Person

### ☐ LTC Costs

- Based on current Family Care capitation rate-setting methodology
- Uses functional screen information to reflect acuity level (i.e., "case mix") of each client group

### ☐ Primary and Acute Costs

- Based on primary and acute costs for current Family Care members



## Projected Costs: Regional Adjustments

### ☐ Current Family Care cap. rate is adjusted for regional differences in health care costs

### ☐ Range of cost estimates developed

1. Apply relatively high-cost regional adjustment factor (Milwaukee as proxy)
2. Apply relatively low-cost regional adjustment factor (La Crosse as proxy)



## Projected Revenue Available

- ☐ Waiver/COP funding for populations served by FC
- ☐ MA Funding currently used for non-waiver MA services for clients on MA prior to enrolling in FC
- ☐ Portion of Community Aids estimated as funding long-term care services
- ☐ County levy spent on long-term support



## Costs in Millions

	AF	GPR
Waiver Recipients	\$656 - \$666	\$277 - \$281
Community MA Clients	\$476 - \$486	\$201 - \$205
Nursing Home Relocations	\$34 - \$35	\$14 - \$15
New to MA Because of FC	\$56 - \$58	\$23 - \$24
Total Costs	\$1,222 - \$1,245	\$515 - \$525



## Revenue in Millions

	AF	GPR/ County
MA non-Waiver Revenue:	\$561	\$237
Waiver / COP Funding:	\$381	\$161
Community Aids:	\$112	\$47
County Levy:	\$186	\$78
 Total Revenue	 \$1,240	 \$523



## Net Cost in Millions: Budget Neutral

	AF	GPR
Total Costs	\$1,222 - \$1,245	\$515 - \$525
Total Revenue	(\$1,240)	(\$523)
 Total Net Costs/(Savings)	 \$5 - (\$18)	 \$2 - (\$8)



## Family Care Legislation

- ☐ Lift cap to allow statewide expansion
- ☐ Some expansion in 2007 is possible
- ☐ Retain all other provisions of existing law
- ☐ Further review of enabling statutes in biennial budget

